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## BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 123 (MC2015-52)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2015-80

## NOTICE OF UNITED STATES POSTAL SERVICE OF CHANGE IN PRICES PURSUANT TO AMENDMENT TO PRIORITY MAIL CONTRACT 123 (February 25, 2016)

The Postal Service hereby provides notice that prices under Priority Mail

Contract 123, in the above-captioned proceeding, have changed as contemplated by
the contract's terms. A redacted version of the amendment to Priority Mail Contract 123
is provided in Attachment A, and the unredacted amendment is being filed under seal.

The amendment will become effective one business day after the day that the

Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE By its attorneys:

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# ATTACHMENT A REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 123

# AMENDMENT #1 SHIPPING SERVICES CONTRACT BETWEEN

### THE UNITED STATES POSTAL SERVICE

### AND

# REGARDING PRIORITY MAIL SERVICE

WHEREAS, the United States Postal Service ("the Postal Service") and ("Customer") entered into a shipping services contract regarding Priority Mail service on May 12, 2015.

WHEREAS, the Parties desire to amend Section I.F, I.I. and I.J.1 under this contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective one business day following the day on which the Commission issues all necessary regulatory approval.

[Replace Section I.F, I.I, and I.J in their entirely, as follows:]

#### I. Terms

- F. The terms and prices contained herein will take effect on the effective date as defined in Section II. The Contract Quarters are defined as:
  - 1. Contract Quarters. "Quarter(s) or "Contract Quarters(s)", refers to the periods as follows in Table 1.

Table 1

Period Name	Start of Period	End of Period
Quarter 1	April 1st	June 30 <sup>th</sup>
Quarter 2	July 1st	September 30 <sup>th</sup>
Quarter 3	October 1 <sup>st</sup>	December 31 <sup>st</sup>
Quarter 4	January 1st	March 31st

2. Tier threshold. As outlined in Table 2 below the following quarterly average volumes must be met in order to achieve the applicable Priority Mail rates in Section I.I.



I. Custom Priority Mail Tier Tables





### G. Annual Adjustment

- For subsequent years of the contract, beginning on the first anniversary of the contract's effective date, customized prices in Tables 3-5 will be the lesser of:

   the previous year's prices plus the most recent (as of the anniversary date) percentage change in prices of general applicability for Priority Mail Commercial Base, as calculated by the Postal Service, or (2) the previous year's prices plus
- Customized prices will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published prices of general applicability for Priority Mail Commercial Base, there shall be no change to the contract pricing for that contract year.

IN WITNESS WHEREOF, the Parties hereto have caused this contract to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE
Signed by:
Printed Name: CVIFF JOUR
Title: UP Sales
Date: 2/17/16

# ATTACHMENT B SIGNED CERTIFICATION

## Certification of Prices for Amendment to Priority Mail Contract 123

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 123. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Steven R. Phelps